

# Community Service News

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## SPECIAL ISSUE, ON COMMUNITY ECONOMICS—FOREWORD

This issue of *Community Service News* is especially devoted to articles and reviews on the economics of the community. The community in modern society is to a large degree a casualty of current ethical and social values and folkways expressed in and through economic forces. The new recognition of the importance of the community to the individual, the nation and to humanity must be supplemented by the development of economic and technological means by which the community may regain its health and integrity in modern society.

METROPOLITAN DOMINANCE AS CAUSE OF NATIONAL INSTABILITY brings into focus a major cause of the downfall of small communities in many civilizations, and suggests that it can be avoided by enlightened public policy.

Reprinted from *Time* magazine is a summation of evidence of how small communities are being depopulated in favor of the urban fringe, despite the national housing shortage. The review of the Marietta College study of Lowell, Ohio, gives in more intimate detail the problem of the smaller community.

How shall the community assume its share of responsibility for its economic welfare? Arthur Morgan writes the first of a series of studies of this question, in A SURVEY OF SMALL COMMUNITY ECONOMICS.

George Homans' *The Human Group*, given extended review, is one of the best of the growing list of books by scientists and philosophers bringing mankind's attention to the necessary role of secure, broad primary-group relationships.

## NEWS OF COMMUNITY SERVICE, INC.

Community Service is sponsoring several lectures in Ohio by Claire Bishop, author of *All Things Common* (reviewed in the Sept.-Oct. *Community Service News*), with talks on "the communities of work scheduled Jan. 10-15 at Yellow Springs, Wilmington, Loveland and Delaware, Ohio.

Arthur Morgan is to lead a conference at Carrollton, Georgia, on March 13, sponsored by the Service Council of Carroll County. On March 25 he will speak at the Community Church in New York City, and will also fill other engagements in the New York area.

The date for the Eighth Annual Conference on the Small Community has been set for June 30-July 3, at Yellow Springs.

## MEETINGS AND CONFERENCES

March 13-14. Fourth annual Adult Education Conference, Purdue University, Lafayette, Indiana, theme "One More Night at Home." For information write Community Services in Adult Education, 1804 E. 10th St., Bloomington, Indiana.

March 29-31. Annual meeting, Rural Life Assn., Wilmington College, Wilmington, Ohio. For information write R.L.A., Quaker Hill, Rt. 28, Richmond, Indiana.

*Community Service News*, issued bimonthly except July and August by Community Service, Inc., Yellow Springs, Ohio, \$2.00 per year, two years \$3.00. Griscom Morgan, editor.

Community Service, Inc., is an organization to promote the interests of the community as a basic social institution, concerned with the economic, recreational, educational, cultural and spiritual development of its members. Community Service was incorporated in 1940 as a non-profit organization to supply information and service for small communities and their leaders, in the belief that the decay of the American community constitutes a crisis which calls for steady and creative effort. The nation-wide interest expressed during the succeeding years has reinforced this opinion.

## THE COMMUNITY AS A PILOT PLANT FOR SOCIETY

Industrial research used to be haphazard or intuitional. Now with mass production much of it must be designed, tested and proved. It may be thought fantastic to speak of similarly designed economic and social change. Yet it is essential.

The essentials of good industrial research are theoretical reflection, design, the laboratory, and the pilot plant. First of all a concept, an idea is necessary. But when we put our ideas into practice they often do not work out. Some element of the situation has been overlooked, or some generalization is in error. So we experiment on a small scale in the laboratory, correcting errors and modifying design, until errors are removed. The third step is the pilot plant, which is actual production on a small scale. Sometimes what was possible in the laboratory is not feasible in small-scale production. The last step is full-scale production.

A similar process of development is desirable in social and economic improvement. First we must ask ourselves questions; second, we must explore the facts to arrive at concepts or ideas or hypotheses; third, we must try these out on a small scale, or examine the results of such trials. One of the criticisms of communism is that it is being imposed on a vast scale before it has proved itself on a limited scale. To too great an extent the same is true of our own social and economic experiments on a national scale, both those of unplanned trends and of planned developments.

For many elements of social living the community or small region is a normal scale for pilot plant operation. If a social principle or practice cannot find expression on the scale of the primary-group community we do well to examine it critically and thoroughly before giving it expression on a vast scale. This statement will justify careful inquiry. Most of the fundamental processes of social life exist in the small community, and most new social methods originate there and can be tried there without the waste and risk of disaster of experiment on a national scale. In the absence of small-scale experimentation the large nation is forced by pressure of circumstances to blind experimentation on a national scale.

When the small community has clearly demonstrated the success of new methods, their success—like that of primitive Christianity, the Rochdale Cooperative or the use of electric distribution systems—spreads without excessive dependence on centralized authority or on propaganda campaigns. There is then need to protect desirable new ways against the attack of powerful vested interests.

## METROPOLITAN DOMINANCE AS A CAUSE OF NATIONAL INSTABILITY

Social stability can exist only where there is a fair equilibrium of social factors and forces. Technology is only one element in a social and economic order. The unprecedented development of technology in America has not been matched by development of other social and economic elements. Although we have the highest productive capacity ever reached on earth, our national atmosphere is pervaded by a sense of dread, of insecurity and disillusionment. While this feeling is increased by danger of war, it has deeper causes. Finland, living under the shadow of Russia by which it was recently defeated, though a poor subarctic land, goes about its daily work with an emotional stability and poise which we, with all our power, conspicuously lack.

The vulnerability and instability of our unbalanced social and economic system, which we intuitively feel, has a frustrating and disintegrating effect upon individuals, families and communities, and on the national mores. It is gradually dawning on many persons that our present social and economic order is in process of transition, and that if circumstances are favorable we shall probably evolve markedly different forms. These will best result not from the wholesale adoption of any theoretical ideology, but from wisdom, experience and experiment, guided by motives of unselfish aspiration, mutual respect and good will.

One of the chief, but little noticed, causes of our loss of morale has been the decline of community life. Before the rise of centralization and empire the local community and region were fairly sovereign entities. So long as these communities maintained their total independence and unqualified sovereignty they were obstacles to larger loyalties, larger reaches of culture, and larger economic interrelationships. The eclipse of small communities and states by larger units of society was a casualty of the emergence of the self-conscious unity of mankind. The very desirable growth of national and international social organization has thus been cast in opposition to the necessary maintenance of the roots of society in the community and region. A major need of the present crisis is to re-establish the integrity and morale of the local community, the limited region, and the small nation, in healthy, integral relationship to the larger unities of mankind and of our world.

Just as the individual cells of the human body must attend to their own unity and integrity, and to a complete balance of their own life processes, not only for their individual survival but for the welfare of the body as a whole, so the community and regional economy should maintain their own integrity and well-being, not only for the sake of the community and the

region, but for the welfare of national and world economy. Failure to recognize this is one of the major blind spots in the thinking of American economists and sociologists.

Size often gives power without any necessary relation to relative efficiency or excellence. When Hitler overran Denmark it was not proof that life was better in Germany than in Denmark. In colonial America Britain suppressed the growth of local industry so that she might keep the trade, just as she did in Portugal and in India. Concentration of economic power was accompanied by a decrease of total economic well-being. Powerful industrial organizations in America gradually crowd out local industries meeting local needs, as in dairy products and in baking, even where local organizations are giving superior service.

The process of centralization of power and suppression of local initiative is precarious for all concerned, within nations and regions as between nations. Centralized power builds up its habits of consumption to the limit of its parasitic income. If any tributary nation, region or community throws off its yoke and becomes independent, the central power feels need for protecting its dominance by any means possible. Before the first world war America, Britain and Germany, each an independent and strong power, were each other's best customers. Each would have been poorer if the others had been merely exploited hinterland areas. Yet it was for possession of colonial markets on which they could in some degree live parasitically that England and Germany fell out. England today, with her parasitic colonial roots partly cut, is in a serious plight.

The same is true as to concentrations within a country. When a dairy products industry occupies the country and then local communities undertake to serve themselves again, the centralized firm feels that it must protect its stockholders' interest by keeping control of the business. Unwholesome methods and stresses are apt to develop, with the economic equivalent of war and the amoral methods of warfare. The total social and economic welfare is apt to be less than when each community had maintained a higher degree of local autonomy. If economic operation of local services is under distant control, then more money is likely to leave the community than comes to it and there may be gradual economic deterioration, followed by social deterioration.

The obvious power of the larger cities to attract commerce away from the hinterland town and village has led to belief that this power is inherent in modern technological developments. This assumption has greatly warped economic and sociological thinking. Wilhelm Radecke, once a prominent German banker, points out that Diogenes, the ancient Greek banker-turned-philosopher, observed similar economic forces at play in ancient Greece, and sought to free his people from their terrible impact. The hinterlands of

Greece, like those of America, were impoverished and depopulated by the power of commercial metropolises to displace the local economy.

If each community is enabled to serve itself where it is efficient for it to do so, each will be a more prosperous society to trade with, and the entire national economy will be on a higher level. National policy should aim at that condition. In the lack of such policy the present trend in many parts of America is toward curtailment of local economic functions, impoverishment, and resulting depopulation in local communities and hinterland areas, and of concentration around metropolitan centers. The hinterland ceases to have an economy of its own, and becomes but a fraction of the metropolitan economy. In the long run the impoverishment of the hinterland will lead to the impoverishment of the entire national economic and social structure.

The opposite extreme, of going as far as possible in decentralizing the economy, certainly is not to be desired. Much of the larger opportunity and service of the national market is desirable. The point is that it is not necessary to sacrifice the social and economic advantage of an economy integrated in the community and the region for the advantages of the larger interchange in the nation and the world. Optimum benefit from the world economy depends on efficient development of the local economy. Ways exist for establishing a wholesome balance. One of the most promising is the subject of two case studies in this issue of *Community Service News*.

There are various disadvantages of overdoing economic centralization. Vast advertising expenditures are effective in displacing local products by nationally advertised goods. Several years ago the Educational Buyers Association, an organization of buyers for colleges, etc., tested a large number of brands of a certain staple product. In not a single case was a highly advertised brand among the best in value in that particular article. A current radio program announces that upon submission of many brands of its type of product to a national testing laboratory, the brand being advertised is found to be the best of all the *leading* brands tested. The emphasis is ours. The word "leading" is not emphasized in the broadcast. For many household articles advertising costs more than production.

Another disadvantage of overcentralization of economic interests is that the community and local region loses its power to control its own destiny. A branch plant, owned at a distance, may suddenly quadruple its size, swamping the community with a heterogeneous influx of workers which may dilute or drown out the slowly developed and highly valued community personality. Or, a branch plant may be suddenly withdrawn, destroying a chief source of livelihood, and disrupting the lifetime associations of many families. That process has become so frequent that it is taken as a part of the American way of life. Another instance is the somewhat centrally controlled beet sugar industry, which imports large numbers of Mexican families

into the beet fields for the growing season. Manual labor is one of the necessary phases of normal, healthy living, and should have an honorable part in the lives of citizens of the community. By the importing of masses of people who are handled en masse and are treated more as well-paid serfs than as citizens, the status of labor is debased. The community loses control of its standards of dignity and mutual respect.

Another way in which local self-sufficiency is undermined is by the process of industrial "reciprocity." A great industry may say in effect, "We will buy your products if you will buy ours. We will go further than that. If (in case of a coal mine) you will buy your blasting powder from us we will require firms who sell us raw materials to buy their coal from you." Thus, an economic network is built up which, controlled from a center, destroys the economy of the community.

The metropolis is becoming the most highly promoted, concentrated, and powerful economic unit in our society—the place from which all must buy, and the place to which all must sell. As a result, the local community or region distant from the metropolis is losing its power to serve itself, even when more efficient and where it has the manpower and the materials to do so, and even when it cannot be served by the metropolis. The usual hinterland community and region tends to pay more for what it buys from the metropolis than it receives from sale to it. The exceptions to this rule are the most obvious evidence for it. The Amish and other communities that make it a rule to maintain their own economy and avoid outside expenditures are remarkable in their increasing rural prosperity—but at the cost of cultural isolation. The costs of advertising, transportation, administration, sales and profit in buying and selling through the metropolis largely stay in the metropolis, reducing the price paid for goods bought from any part of the hinterland, and adding to the cost of goods sold to any part of the hinterland. The hinterland's adverse balance of trade results in a lower standard of living and poor bargaining position in trading with metropolitan firms.

The hinterland always suffers. The more remote it is from the metropolis, the greater its disadvantage. The result is an ever-increasing concentration of population around the dominant metropolis, with constant impoverishment of the more distant areas. Many local communities which had been prosperous in producing goods for themselves in a less advanced technology have been bankrupted, impoverished and depopulated by subservience to the metropolitan market.

The preservation of a reasonable degree of local economic autonomy requires the help of conscious public policy to protect it from antisocial use of the power of great size. It is objected that so radical an innovation as deliberate protection of a reasonable degree of local and regional economic autonomy, even if theoretically desirable, is unrealistic—beyond any pos-

sibility of achievement. This objection is itself unrealistic. A highly centralized economy, with metropolis-dominated control, administration and distribution, is extremely vulnerable from two sources. First is from the outside, through international conflict. Even short of atomic bombs it is subject to sabotage, fifth column civil strife, distribution of disease, bombing, and perhaps other forms of attack, most of which probably are ready for use. The greater the centralization, the more is it possible to disrupt functioning by injury of a critical center of control.

A far more important source of weakness is that of morale. In a decentralized economy supervision is direct and at first hand. The appraisal of personality and character is based on direct acquaintance. Make-believe tends to be seen for what it is. The cultural inheritance of family and community favor the existence of integrity, mutual respect and good will, along with self-respecting independence. In a highly centralized economy there is a tendency to impersonal relationships. A much higher level of character is necessary to maintain a similar degree of control, and people of high character are limited. For instance, a man will maintain a higher level of dealing with his intimate friends and neighbors than with the general public. A big centralized organization can maintain order and action only by enforcing uniformity, which tends to discourage initiative and individuality. Responsibility to stockholders may drive an executive to ruthlessness of action which he would not exercise if only his own personal interests were involved. On the other hand, an unscrupulous official may make a reputation for economy and efficiency by omitting necessary maintenance, by overselling the market, or by other means the damage of which does not appear until his enhanced reputation has taken him safely to a position of greater power and influence.

These are just a few of the weaknesses of a highly centralized economy, whether of Russian or American style. The communist doctrine was that with the elimination of capitalist exploitation "government will wither away," leaving men free. The very conditions of centralized control have brought about exactly the opposite results in Russia. In America, a continuation of centralization of the economy will bring about similar results. The first necessity of a centralized economy is to keep going. A stoppage may mean disaster. Regimentation becomes essential. There is not time to wait for educated self-control, so indoctrination becomes necessary. Advertising, publicity and propaganda tell us what to use, what to like, what to think, what the year's styles will be to increase demand and keep factories running, and what our opinions should be on economic issues. All this takes place in the name of preserving individual freedom and the American way of life.

It is in the midst of troubled times that the greatest and deepest-seated changes in society take place. Unplanned drift will take us in the direction of centralization, rigidity, and regimentation. We will call it planning, the



planning being a continually increasing complexity of controls and regulations, until unexpected crisis brings a crash of the unmanageably intricate structure.

A different course may be taken by making a substantial degree of decentralization a major element of public policy. Research and experiment in the possibilities of economic decentralization can be very productive. Where natural conditions have turned American ingenuity toward perfecting relatively small-scale, decentralized operation, as in municipal water supply, highly satisfactory results have been secured. Such decentralized effectiveness may be very greatly extended, both in public and private operations.

One method of encouraging decentralization is through cooperatives. In many areas these too are imitating the centralization of big business. When the head of a great cooperative system was asked why this course was pursued, he replied that only by great size could a cooperative protect itself from the attacks of private monopoly. One of the evils of overcentralization is that it tends to force that process on others. Protection against overcentralization should be, in part at least, through governmental policy and public opinion. Neither is at present adequate for this purpose.

Before such public opinion and public policy can develop there must be an awareness of the value of a considerable degree of local economic autonomy, and of the value to the nation of the sound and vigorous community life that depends upon it. This, in turn, calls for a social philosophy and a life philosophy which will make such values meaningful in the life of a people. Sound economics must be more than technical economics, it must see itself as an integral and inseparable element of a total way of life. So long as we are obsessed by size and power as being more excellent than well-proportioned living, our interest in decentralization may not be effective. However, if we take steps in accordance with what we do see, the way may open before us.

Action for the economic well-being of the small community is largely limited to "paint up and fix up" campaigns and efforts to bring industries back into the community from the metropolis. These efforts are inadequate to significantly alter the trend toward concentration of industry and commerce in the vicinity of the metropolis. It is becoming increasingly clear that more penetrating insight and deep-seated courses of action are necessary if the trend toward metropolitan dominance is to be reversed.

Money has become the universal medium of exchange. The hinterland community has forgotten how to use any other exchange, and as it progressively loses to the metropolis its fund of national money it falls into extreme depression, even though it has the resources and the manpower to meet a large part of its own needs. It has simply to go without, where in an

earlier day it could continue to produce for itself when it could not sell to advantage to the metropolis. It is probable that there can be no continuing social or economic autonomy—that is, no effective local democracy—for the small community or region except to the extent to which it develops the equivalent of a local medium of exchange to supplement the national medium, not to displace it.

The obvious conclusion is that the local community or region must balance its budget in its purchases from the larger economy, and where it has not a favorable market for its products in the larger market, it must turn its local labor and resources to use in supplying its own needs, modernizing its own local clearing house or medium of exchange, auxiliary to the national exchange. If such a course is not taken, the hinterland must export its surplus labor toward the metropolis and pay exorbitant prices for what it might have produced at home. The possibility of meeting many local needs at home will vary greatly in different circumstances. A copper mine community in a Utah desert may have relatively little such opportunity, especially as its people are all economic wards of a single employer. A community of varied interests in agricultural America has much greater possibilities. Where the metropolis is the nexus of most economic life, the high cost of distribution and control will keep in the metropolis much of the wealth which was produced in smaller communities, and population will consequently concentrate in the region of the metropolis, creating a condition dangerous to the long-time stability of the country.

As a consciousness develops as to the value and need for a reasonable degree of decentralized economy, well coordinated or related to necessarily centralized elements, it will be well within the limits of American initiative and ingenuity to work out such local economic arrangements, with an increase rather than a decrease of the total economic welfare. Here is a rich field for social and economic research and experiment, both public and private.

It is generally assumed that modern technology and communication have made a revival of local economic integration impossible, or at least a reactionary, divisive policy. So strong is this assumption that it requires clear experimental evidence to prove that any other course is possible. Elsewhere in this issue are accounts of two modern community economies which have been a real benefit to their members, and which have thereby had increased trade with outside areas.

## CASE STUDIES OF EUROPEAN AND AMERICAN LOCAL ECONOMIES

A few centuries ago most regions and communities even in industrial urban areas were relatively self-sufficient as highly integrated financial and economic organisms. They were largely immune to external economic breakdown or disaster. It is generally assumed that almost all such local and regional stability is no longer possible and that each community must inexorably rise and fall with the national tide of prosperity and depression and centralized administration of industry, commerce and government. This is asserted even of those regions of such size and wealth as have almost all the economic requisites for a high level of stable and efficient prosperity.

The potential power of integrated community and regional economic organization to protect and promote the supply of local needs has been given very little consideration by economists or by educated people. The Upjohn Institute for Community Research, in expressing an interest in studying this type of local organization, often referred to as the "self help cooperative" or "exchange," is representative in considering it as having proved value only in time of economic breakdown.

It is not difficult to cite evidence of benefit to rural communities through the use of a local medium of exchange in time of economic breakdown or depression. The remarkable recovery of Flensburg, Woergl, Swankirk and a few other European towns is documented and attracted world-wide attention during the great depression. However, successful experience of self-help community exchanges can also be demonstrated as well in the very interdependent prosperous economy of cities as in isolated depression-bound rural communities.

These give positive evidence that modern communities or regions can still master their economic destiny if they have sufficient initiative, courage and insight to learn new ways. Essential to the community economy is the maintenance and effective use of an adequate working capital with which people shall exchange their products and services and invest in needed enterprises within the community. The real benefit to the economics and morale of the community through the use of this principle is comparable to that wrought in the more limited fields of production and labor relations by employees' sharing in ownership and profits.

The history of successful community economies in modern Europe is closely associated with the history of the German Free Economy movement. In it able businessmen, financiers, university professors and workingmen have for long been associated. Among them are such men as Wilhelm Radecke—who before Hitler was one of Germany's leading bankers—Wil-

helm Brachmann, of the University of Breslau and Halle, and Johannes Ude, of the University of Graz. During a period of six years this group had developed an exchange movement that had spread to several hundred German communities. It was outlawed in 1931 by emergency decree because it threatened the Reichsbank as the center of German finance. Today this movement is again in operation in Europe. The French Communitarian movement has learned that its well-being depends upon exchange between its member production units, and such an economic exchange is now being actively developed. We reprint as case number one a description by a German industrialist, Karl Walker, of how the "Self-Help Economic Ring" works in Germany and Switzerland.

In America most self-help exchanges were developed without benefit of experience. During the great depression many American communities used their own scrip that helped tide them over the extreme lack of money until government spending put national currency again into circulation, after which most exchanges failed or were discontinued. In Chicago, many exchange arrangements were tried and all failed until a German immigrant businessman, who had participated in the German movement, in 1937 reorganized them into the United Trade Dollar Exchange. This exchange continued successfully on the European pattern until rationing made materials too scarce in 1943. The community values that resulted from this exchange among its members in northwestern Chicago are as impressive as the economic benefits to its members. A brief survey of this exchange is the second of these case studies.

#### I. THE SELF-HELP "ECONOMIC RING," by Karl Walker

Fifteen years ago an "economic ring" cooperative was established in Switzerland after the example furnished by Scandinavian countries, by which the exchange of goods and services among middleclass businesses and artisans was organized according to definite principles. The enterprise is today well founded and works to the complete satisfaction of its members. Thus, the Economic Ring of the city of Basel has made it possible to transact business for its 1100 members in 1949 with about two million francs by means of check account transactions in addition to two more millions of francs against cash.

Today's economic conditions of the western world are marked by sales difficulties causing curtailment of production and employment. It is imperative to breathe life into our markets, to promote enterprise, sale and employment in the community. The problem is fundamentally the problem of the exchange of products and labor. The enterprise "Economic Ring" has the purpose of giving to its members sales, orders and income on the basis of a mutual exchange of products and services. The "Economic Ring" is a free

self-help cooperative requiring no political legislation because no compulsion and regulation and no change of existing laws and legal conditions is necessary.

Since difficulties of distribution exist also in Western Germany, an enterprise has been established at Stuttgart, seventy miles north of Basel, which will make use of this method of distribution of goods. The firm has been founded under the name "Ring Economy, Ltd.," with a founding capital of DM30,000. To show the interest which the business world is displaying in a systematic promotion of sales as proposed here, of 160 firms which have been approached 127 immediately promised their cooperation, among them such eminent firms and personalities as: MAHLE, Light Metal Works, Cannstadt; Dr. Peter V. Siemens, Siemens-Reiniger Works, Erlangen; R. Witzenmann, Metallhose factory, etc.

Every businessman can make use of the promotion of business turnover by means of the Economic Ring. Necessary for this purpose is: (1) To open up an account at the bank of the Economic Ring by payment of national currency; (2) To subscribe to the Information Organ of the Economic Ring with the list of businesses; (3) To make use of this balance by transferring it to others through buying within the Economic Ring.

The Ring gives to every new cash payment of national currency an additional credit of 5% as a compensation for adding to its working capital. Purchasing power once directed into the Ring remains therein, augmenting the working capital of the community and creating by its circulation sales and employment for all members.

The cash money capital forming the credits is invested as an untouchable liquidity-reserve. The Ring also provides for letting the entire accounting be done by a banking institution.

For the keeping of the account and to stimulate its use the Ring levies from its members a compensation of 1 Mill of the daily credit balance. With this regulation the Ring gains if a member leaves a large amount untouched for a longer period. But if the member uses every payment entered on his account again in a purchase of goods and services from other members, he saves expenses and increases the turnover for others and for himself. This stimulant to exchange creates employment by making maximum use of its working capital.

From the national economic viewpoint, the working method of the Ring leads to an unfoldment of demand for products and services, which is increased with every additional cash deposit on account. There is no possibility of the cash disappearing, for it remains in trust, yet because of the simple businesslike means of supporting the Ring, it remains in circulation.

## II. THE UNITED TRADE DOLLAR EXCHANGE OF CHICAGO, by F. Schmieder

For smaller purchases within the community, the use of checks involving central bookkeeping is too expensive to be feasible, and the use of a scrip or community medium of exchange needs to supplement the bank account of the "ring." The successful use of scrip in America and in Europe has involved a method of stimulating its use that may be illustrated by an American example. Since federal law prohibits the use of scrip in denominations of less than one dollar, this case is of added interest since it found by experience that scrip for smaller denominations was unnecessary.

The purpose of the Chicago United Trade Dollar Exchange was to stimulate and increase trade among members and associates by the use of a non-hoardable scrip called Trade Dollars. In the opinion of its members the Exchange was the most beneficial cooperative existing between merchants and consumers, and resulted in many lifelong friendships, understanding, and a sense of fair dealing among the users of Trade Dollars, businessmen and customers alike. It created one big family out of many factions which otherwise would not understand each other. It was effected by the use of a medium of exchange that was unhoardable because it depreciated eight percent per year. Consequently it circulated rapidly in the community, showing with every exchange the necessity of cooperation for the common good.

The membership consisted of over 300 small and medium-sized business or professional men; the total users of Trade Dollars, however, ran between seven and eight hundred. *Members* paid one Trade Dollar initiation fee and one Trade Dollar per month. These members were entitled to free listing in the official paper and directory of the Exchange, and they also had the privilege of liquidating Trade Dollars in excess of their need. *Participating members* paid one Trade Dollar each three months. They were consumers, not in business, or did not care to be listed in the directory.

The official paper or directory was published every two weeks and contained the listing of the members, also editorials and other items which were of interest to the members. All Exchange announcements, numerous ads from the members, and the like made up the large eight-page paper. The paper served as a guide for others to see where Trade Dollars were especially wanted and welcome, judging by the ads, or the listing.

It was mandatory for all retail members to accept Trade Dollars at full value in exchange for goods or services. Wholesalers were allowed to accept them at a percentage basis; on a one-hundred-dollar purchase the percentage could be fifty dollars currency and fifty Trade Dollars. Trade Dollars were sold to all users for 90¢ each, thus giving the user an added 10% in purchasing power to compensate him for any inconvenience for trading with member stores. Members receiving Trade Dollars in such large amounts that

they were forced to liquidate some, received 90¢ for each; thus they were penalized 10% in order to discourage liquidation. However, experience shows that it was still profitable for all concerned, because part of the Trade Dollars they used for their personal needs and part to purchase from firms accepting them. That reduced the penalty to two or three cents on the dollar. This "tariff" was considered in the category of advertising expense and did not prohibit outside trade. For example, filling station operators were among those benefitting most from the exchange even though they had to pay so large a percentage of cash for gasoline.

All monies received from the sale of Trade Dollars were kept in a trust fund for the sole purpose of redemption or liquidation. From 1937 to 1943 a total of 120,000 Trade Dollars were sold and put into circulation. After the Exchange was in full swing, the monthly sale of scrip was \$3000-\$4000.

Due to wartime conditions, resulting in a shortage of goods in the most important member stores like gasoline stations, grocery stores, and meat markets, it became increasingly difficult to circulate Trade Dollars, and the Exchange was therefore dissolved December 29, 1943, and all outstanding certificates, stock shares, and all other obligations were paid and redeemed.

Does it pay for a merchant to use Trade Dollars? This question is asked by most of those that are not familiar with their operation. Why should the merchant be willing to give a full dollar's worth of merchandise to the customer and then take a loss of 10¢ on the dollar? He does not have to. If he liquidates these trade dollars, he will cut down the circulation of money in the community which is the one thing needed by merchants in order to increase their business. If he will use these trade dollars in his business or his daily buying he will avoid taking this loss on the trade. Sometimes it may be a little nuisance to trade with his fellowmen instead of writing out a check to an out-of-town store, but if people will not trade with one another, all members of the community will be impoverished. One member's recollection of his experience was, "Years ago, in 1938 in Chicago, I bought a brand new Dodge car with trade dollars. I paid 10 trade dollars per week in advance to get it, while most cars at that time were bought on a two-three year installment plan. I didn't have the cash to buy one, or I would have been scared to buy such an item at that time, but the trade dollars kept coming in, so I managed to pay my bills and paid for the car in time. I was the proudest man in town. I did the same thing with a large electric sign outside my store, and the man that sold me the sign has been a steady customer ever since, and he goes out of his way to come to me. Even the wholesalers, who operate on such a small margin, that ordinarily they could not afford to cash trade dollars in at the rate of 90¢ each, can afford to accept them because we expect them to accept for payment of a bill something like 10-25% in trade dollars and 75-90% in cash."

## A SURVEY OF SMALL COMMUNITY ECONOMICS

By ARTHUR E. MORGAN

Adequate economic life and income are essential to the well-being of any small community. Without it the achievement of fine quality in other respects is very difficult. Yet economics is only one element of good living; a community may have an excellent economic foundation and still be a poor place to live. The goal should be adequate economic conditions in good relation to other desirable qualities.

While no two communities have just the same total economic problem, there are some elements of community economics that are nearly universal, and others that are very common. Also there are certain ways of approaching such issues that are generally helpful and are economical of time and effort. It seems reasonable, therefore, to outline some general methods for meeting the economic needs of small communities.

There are certain economic needs which exist in every community. Except to the extent that they are understood they cannot be met intelligently. In only rare cases does a community take the trouble to get a clear understanding of its economic needs. Some of them are as follows:

1. Every person in the community—except for young children and other dependents, or persons who have inherited or otherwise acquired a means of livelihood—needs to make a living. Also, most well-to-do persons prefer productive work to life as parasites on the community. One useful step in planning a community economic program is to find out the main facts about each person's vocational and other economic needs and possibilities. This information can be reasonably well secured by means of an economic census. Such a community census can serve other needs as well, as is described later. An economic census should record as to each person:

- a. His or her occupation.
- b. Is the present occupation one which the person desires to follow for life, or at least for a number of years; or is it a temporary expedient until the person can find work in an occupation he likes and for which he is reasonably well equipped?
- c. If a person is not in the occupation of his choice and ability, in what occupation does he wish to work? Is he skilled in the field of his choice? If not, is he willing to take further training?
- d. Does he have the finances necessary for equipping himself for his occupation, either for tools or training?
- e. Does the person see any probable opening in the community for work in his chosen occupation?



This census of people and the work they want would be complemented by a gathering of information about established businesses, the services and personnel they want, the positions they have available, and information on how they could help others get started at work or in business. This help could take many forms, such as advice, encouragement, credit for tools, longer-term loans for training, or the offer of part-time work while an endeavor was getting started. In this way community members who wanted to help others but did not know who could best use their aid could be put in touch with those who needed help but did not know where to turn. Where this spirit of helpfulness does not exist, its creation will require a persistent education in its desirability.

For some of the population of the community no inquiry will be needed, as the status of many individuals will be well known. Such persons probably would include doctors, lawyers, ministers, well established merchants, and craftsmen with settled businesses, such as plumbers, electricians, barbers, etc. Such persons will be familiar with the fact that a census is being taken, and can take the first steps if they wish to discuss their futures.

The census should include boys and girls in the last two years of high school, and those who are away at college. They should be asked to state their desires, their probable opportunities, and the further preparation they are prepared to make. The census should include, if feasible, persons living within, say, five miles of the village center, and who might desire work in the community.

When the census is completed and the results are analyzed, it should be possible to tell how many persons are available for general labor, and how many in each of several other callings. We know of a case where an enterprising chamber of commerce subsidized an industry and persuaded it to locate, only to find that the necessary labor was not available. The result was the development of a village slum area, settled by persons who were not an asset to the community. The kinds of industries or services sought for by the community should be determined, in part at least, by the kinds of ability in or near the community.

2. Another line of inquiry should be to try to find what kind of services the community needs and lacks. A community may lack a photographic studio, a bakery, a laundry, a plowsmith, or any one of a large number of services that would make life better and save the expense of calling help from outside. By matching the services needed with the persons available it may be found that some local persons are competent to establish such services, or would be willing to undergo the necessary training.

Sometimes wants continue unfilled for several years because the persons able to fill them never thought of doing so. For instance, we know one young man who made a satisfactory living by removing old trees and gather-

ing dead and fallen trees, cutting the wood with a power saw into fireplace size, and selling it to householders. We knew another town where such surplus wood was equally abundant, and where the demand for it to burn in fireplaces was as great, but where no one had undertaken to supply the demand.

Most communities have unfilled service needs, while there are persons available to supply those needs who never thought of doing so. If services are needed for which no local talent is available, then it may be desirable to find live, reliable and competent persons to supply them. The addition of such persons may be an asset to the community.

3. Another line of inquiry would be an exploration of local resources which might be developed. These are so extremely varied in different parts of the country that there is little point in trying to list them. Many communities have local resources no one has thought to develop, and often thriving industries are built on them. Imagination is necessary to see how some material can be used as a resource. Pottery manufacturers need packing for their goods. One young man in Maine lived on a poor farm that was mostly peat swamp. He developed a business of 100 employees by digging and shredding the peat and sending it to Boston for packing shipments of pottery and chinaware. About the ceramics centers of Ohio would it be feasible to shred corn cobs and possibly cornstalks for such packing?

A man living on a lake shore in Montana observed that the gravel along the shore had brighter colors than most. He shipped it east for use in aquariums. Many industries have waste products for which new uses may be found.

The location of a community may itself be a resource. A young industrial engineer chose for his office a small town which was about equally distant from four larger towns that had the kind of manufacturing he was seeking to serve. In this way, he enlarged his potential market considerably.

As a continuing part of the program it would be desirable to follow up the census by keeping a running acquaintance with high school students, beginning with the sophomore or junior year of high school. Some proportion of such students will be ready for vocational direction, either for taking jobs or for further education.

In one town we knew it was arranged that every high school student was given opportunity to work, after school hours and on Saturdays and in vacations, at some jobs in the community, in stores and offices and on farms, and in every kind of work going on in the community. This work was a great help, both in making boys and girls acquainted with the various callings, and also with various possible employers. Such acquaintance may have much to do with making young people real members of the community and interested in it.

4. As another part of the economic survey it would be well, if possible, to get an estimate of how much money comes into the community each year, and how much goes out. Money comes in through wages paid in industries that sell their products at a distance, through crops sold, through interest on out-of-town investments, through wages paid to people who commute to work in other towns, through money received from county, state or national government, and from a few other sources. Money goes out through purchase of food, clothing, etc., at stores or by mail, by taxes, insurance payments, vacation expenses, interest on mortgages and other payments, gasoline, tires and purchase of autos, television sets, etc., for schooling at a distance, and for sundry other items. No very close estimate can be made, but the available knowledge of income and outgo may be helpful in planning. Some communities regularly take in more than they pay out, and grow financially stronger. Other communities regularly pay out more than they take in, and grow steadily poorer by mortgaging or selling property to outsiders, exhausting the soil, and especially by driving their best young people away to where they can make better livings.

If a community is paying out more than it takes in, then thrift and economy are particularly important. Rather than make unessential expenditures out of the community for improvements people would like, it may be wise to plan for developing industries and services which will bring in money from outside—money which will be distributed as wages or services, or as payment for locally raised produce.

Misplaced thrift at home does not pay. If a community has too low a standard of living and looks run-down, its live people may tend to go elsewhere. It may be better to put in energy in increasing income rather than in decreasing expenditures. However, there is so much waste in American life through spending on indulgences and trivialities, and in keeping up with the latest vogue, that education in thrift, in freedom from indulgences and from extreme vogues, will help much in balancing the budget.

*(To be concluded in the next issue.)*

The Twentieth Century Fund is sponsoring a series of thirteen Saturday-night broadcasts on how citizens of typical American communities have acted together to solve some of their economic and social problems. The series, broadcast at 6:00 p.m. E.S.T., began on December 9 with the story of Bat Cave, N.C., and its hospital built by the people of the community. The February 24 program deals with the Service Council organized in Carrollton, Georgia, and the surrounding county. The final program, on March 3, will deal with labor relations in Toledo. The series is skillfully planned and produced, and makes good use of recorded statements by people in the communities dealt with. Scripts and suggestions for local use of the material may be obtained from the Twentieth Century Fund, 330 W. 42nd St., New York 18.

## THE METROPOLITAN PATTERN

There is what Geoffrey Gorer describes as the passivity of the American citizen to be taken into account. Gorer sees in this passivity and apathy the greatest threat to American democracy; the habit of leaving government, at every level, to the expert, the professional, who is nevertheless despised, may, he suggests, finally lead to a breakdown of the state. It certainly already exercises a great and baneful influence on community life. . . .

The first or second-generation American is bewildered by a social pattern entirely new to him. He is plunged into a society whose codes appear to be arbitrarily fixed, for which he feels no sense of inherited and continuing responsibility. He soon accepts the idea that this, too, must be left to the expert, the small group of professional administrators who form the city council, possibly even to a single expert in the form of a City Manager or a "strong Mayor"—methods of government which will be warmly defended on the grounds of their efficiency by people who would be horrified to hear themselves accused of supporting a dictatorship. This compulsion to leave it to the expert runs so deeply through American life that even the most informal committee will put powers into the hands of its Chairman which no English committee would yield to him. . . . The final responsibility is pushed back onto the expert who, in the first place, is more likely to have been nominated by someone in authority than elected by any democratic process.

The organizational pattern of American urban community life is almost always from the top down, from the centre outwards. . . .

All that I have said is, I believe, true of the urban community, that is for a little more than fifty per cent of Americans. . . .

In the small community, a very important though sometimes forgotten element in American life, the scope for active participation in public affairs by the private citizen is very large. . . .

The contrast between life in the small community and in the city is remarkable and depressing. The individual American in his own home is enterprising and self-sufficient, ready to undertake all kinds of skilled work and always willing to experiment; in the small community he manages his own communal affairs with assurance and success. But in the city he appears to abandon them without regret or hesitation to the expert in Public Affairs, Community Organization, or whatever may be the current local phrase.

—Elizabeth Handasyde, *City or Community* (National Council of Social Service, London, 1949, 104 pp., \$2.00), pp. 70-73.

## THE CENSUS

Reprinted from *Time* magazine, July 3, 1950.

*From the Country and the City.* Many a small U.S. farm town—big enough for a post office or a bank branch but too small for a movie house or a department store—is dying. All over the U.S., judging by new census figures last week, little towns with names like What Cheer, St. Elmo and Honey Grove are slowly withering.

Shannon City, Iowa, for example, has lost 119 of its 288 inhabitants. Ernest L. Edwards, who runs the general store, can remember when three blocks in town had 23 children; now the same houses have only about a dozen widows. Said an oldster: "None of the kids ever comes back here to live after they've gone away to school." Perry Wilson, editor of the town's newspaper, died, and the paper died with him. John Butt, 82-year-old ex-mayor, lives alone on the edge of town since his wife died. His three sons are working in Detroit.

Up the graveled hill on Main Street, the foundations of the old movie house are overgrown with weeds. Nobody ever builds a house any more. "Every time a house burns down, it's just gone." Said Clair Dunlap, president of the school board: "I can remember when almost everybody hired a man to work the farm. Now you pick corn by machine. The men have to go somewhere else for work." In front of Edwards' store, four teen-agers complained: "Nothing to do here—just a square dance once a month."

*Rocking Along.* Mart, Texas, a cotton and corn town near Waco, has lost 583 of its 2,856 citizens since 1940. "We've all grown older and content to be that way," said one town father. "We have as many heads of families as we ever had, but the families now consist of one or two old people." Eight out of ten of Mart's high school boys go on to college each year; Mart has few jobs for college graduates. For recreation, the youngsters drive 18 miles into Waco. Said J. H. Rogers, local car dealer: "We just rock along. Sometimes we have two, three good days and then it will be quiet. Business isn't bad, but then it isn't going to get any better."

But if the smallest towns are dying, the biggest are none too healthy. Big-city growth has lost momentum. To the chagrin of boosters, city after city is learning that it is not as big as it thought. New York, Washington, Los Angeles and Cleveland have fallen far short of their proud expectations. Lowell, Mass., and Salt Lake City have indignantly demanded recounts.

*The 1950 Town.* Where are the people? In 1950, it seems that the U.S. wants to live, not in a big city, but near it. All over the nation, people fleeing the country's torpor and low wages have settled in the suburbs. The growing town of 1950 is the bedroom town.

Kansas City's suburbs have almost doubled since 1940. Denver has gained 28%, but three surrounding counties have jumped 61% to 80%. Chicago's suburbs have increased 32% to the City's 7%. Even burgeoning Los Angeles, with an increase of 27% is outdistanced by a growth of 100% in outlying towns like Arcadia and Burbank.

Population-wise, the city of the future may be little more than a glorified workroom, railroad station and parking lot—crowded by day, empty and echoing by night. Around the hollow center, circle on concentric cricle, would lie the teeming suburbs. Beyond them, only the open farm land and the lonely lights of farmhouses, sprouting television antennas.

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## REVIEWS

*On-the-job Education in Rural Communities*, Yearbook of the Department of Rural Education, National Education Association of the United States (Washington, D.C., 1947, 139 pages, 75¢).

How the school and community may work together in getting young people trained, experienced, and placed in local fields of employment is a major community problem. Those interested in initiating such a program should obtain this yearbook. One of a very few publications dealing with this subject, it is largely devoted to agriculture, homemaking, retailing. Methods and standards of on-the-job training are dealt with and advantages and disadvantages are discussed. No case studies of such training are given.

The yearbook concludes with the statement, "Such data as are available concerning the scope and extent of on-the-job education in rural areas indicate that only a small beginning has been made."

*College in the Country* and *The Family Comes to School*. Nos. 118 and 117 of the New Dominion Series (Charlottesville, Virginia, Extension Division of the University of Virginia, June and October 1950).

These bulletins give valuable accounts of achievement in two rural adult education projects. The first is the story of a local adult group of fifty farm families that planned and developed for itself a course of study with the help of West Georgia College. The second account is of the Brick Rural Life School, a residential people's college at which tenant families come to live for five years to learn how to make good as people, farmers, and cooperators in community. The story of Bricks cooperatives, credit unions, and post-graduate success of the alumni in becoming centers of influence in the neighborhoods in which they settle is a valuable resumé of this important project of the American Missionary Association.

## THE UNIFORMITIES OF HUMAN ASSOCIATION: KEYS TO BUILDING A GOOD SOCIETY

*The Human Group*, by George C. Homans (New York, Harcourt, Brace and Co., 484 pp., 1950, \$6.00).

Suppose we agree that the modern city is a highly unsatisfactory form of human society, that the small community as it generally exists is very inadequate, and that our best hope lies in evolving new forms which will avoid the characteristic weaknesses of both city and village and yet preserve the values of both. How do we go about developing a new and better pattern? Must we depend solely on our intuitions or our general impressions of what is desirable, or are there definite processes of observation and analysis comparable to those used in the physical sciences and in engineering, which can give us sure guidance?

In *The Human Group* Mr. Homans undertakes to outline a process for breaking down human association into its ultimate elements and discovering in these elements uniformities of action which are comparable to the "laws" of physics and chemistry. Physics and chemistry, he says, seem like exact sciences because atoms and electrons are so small we cannot see their details. "If we were electrons and knew man's theory of the atom, we might be amused by it. . . . The theory would seem so gross, so statistical, so simplified." Of our own society we do have intimate inside knowledge. This enables us to check our theory against the facts, but makes us aware of how much we have left out.

The author undertakes to observe the fundamental processes of science. He remarks: "We sociologists are not trained in making a report containing nothing more than things actually seen and heard and then, after the report is in, making an abstract analysis of it. Too often our fact and our interpretation are confused with one another, and our thinking is confused as a result."

Yet he does not have the obsession, becoming so frequent among social scientists, that nothing is scientific which is not mathematical or statistical. He writes: "We are told that our data in sociology should be quantitative, that is, should be cast in mathematical form, and of course they should. But good observation ought not to be discarded just because it is not numerical. Sociology may miss a great deal if it tries to be too quantitative too soon. Data are not nobler because they are quantitative, nor thinking more logical because mathematical. The old-fashioned naturalist, who used only his eyes, was also a scientist, and his counterpart in sociology is very useful in the stage the science has reached."

The author takes five good studies of small groups, which record for each group what actually occurred in them. He illustrates what he considers

to be a satisfactorily factual account: "A woman opens the door and comes into the room. . . . A middle-aged man and two younger ones enter, exchange a few words with the woman, pull up chairs, sit down at the table, and begin to eat. The woman herself does not sit, but stands by, ready to bring up more food and drink if the men ask for them," etc. The author explains that to speak of these as husband, wife and sons would not be description of what is actually seen, but interpretation. The author comments further in another place, "No one just 'sees' human behavior. The eye is never quite innocent, but comes to its task sensitized. We see what our experience and ideas teach us to see—and this is never the whole story. The world and its meaning are always negotiating with one another, with experience as the go-between."

Having presented actual observations concerning behavior in each of his five groups he undertakes to find uniformities, that is, types of action, that are common to all of them, and which may turn out to be universal to human society. The groups he studies in this way include a street-corner gang in an eastern city, a crew of mechanics in an industrial plant, the natives of a small, isolated South Pacific island, an old New England village, and a group of top-ranking engineers in a technical industry.

He does find a number of uniformities which may be comparable to what the physicist would call natural laws. There are seeming exceptions to these laws or uniformities, but that probably is because the conditions vary.

The author does not pretend to present *the* uniformities or laws of social groups, but only to discover and to state *some* of them. He doubtless would consider his greatest service to be that of contributing to the defining of a process in the social sciences, rather than the discovery of specific laws of social groups.

Yet he does discover and state some uniformities. One of these is that in a social group that is in equilibrium members of a group that have many interactions with each other come to like each other and to prefer each other's company to that of others. This preference persists up to an optimum amount of association or interaction, and then may decrease.

In a group that is not in equilibrium but in process of disintegration, this mutual attraction tends to disappear. In the absence of interaction there is no affection, and may be antagonism. "Stranger" tends to mean "enemy." One of the reasons for the breakdown of mass societies is that they do not provide enough intimate relationships to sustain affection. He writes: "Social disintegration is marked by a decline in the number of activities in which the members of a group collaborate, by a decrease in the frequency of interaction between these members, and by a weakening of the control exercised by the group over the behavior of individuals." Lack of interaction is both a cause and an effect of social disintegration.



Another uniformity is that attraction in a group is greatest between equals. Where there is superior and inferior status the attraction is less. For instance, brothers have more attachment to each other than to their father, fellow workmen more attachment to each other than to their supervisor. The attitude toward a desirable superior is more apt to be respect and admiration than affection.

Simple as these "uniformities" may seem, they illustrate a very important method. If we know what attitudes and relationships we seek in a good society, such as mutual confidence and helpfulness, and also understand the living conditions which favor the development of those attitudes, then we can have a clearer idea of the probable results of our many efforts to improve the quality of society.

After describing each of his social groups the author discusses them from the standpoints of certain major "concepts," such as activity, interaction and sentiment. It is through such examination he arrives at his uniformities.

When he has stated his uniformities the author generalizes from them. Some of these generalizations relate to the primary-group community. He writes: "At the level of the tribe, the village, the small group, at the level, that is, of a social unit (no matter what name we call it by) each of whose members can have some firsthand knowledge of each of the others, human society, for many millennia longer than written history, has been able to cohere. To be sure, the cohesion has been achieved at a price. Intelligent men have always found small-town life dull, and the internal solidarity of the group has implied a distrust and hatred of outsiders. But society has at least been able to cohere. This is not to deny that groups have succumbed to the severity of the environment and the violence of enemies, but they have had at the same time few problems of internal social organization. They have even tended, as we have seen, to produce a surplus of the goods that make organization successful: morale, leadership, and cooperation between increasingly large numbers of people.

"Throughout human history, groups have used this surplus in the attempt to grow. . . . Finally, one of the groups, much like the others but possessing some of their qualities in a higher degree, consolidated the gains, and a civilization was born. . . . And almost every one of the civilizations has worked out and adopted a single body of values and beliefs, shared in some degree by all the citizens. Such until recently was Christianity for the Western world.

"The appalling fact is that, after flourishing for a span of time, every civilization but one has collapsed. . . . The one civilization that has not entirely gone to pieces is our own Western civilization, and we are desperately anxious about it. Can it get out of the rut into which the others have fallen? . . .

"At the level of the tribe or group, society has always found itself able to cohere. We infer, therefore, that a civilization, if it is in turn to maintain itself, must preserve at least a few of the characteristics of the group, though necessarily on a much expanded scale. Civilizations have failed in failing to solve this problem. In fact the very process by which civilization emerges has, up to now, made failure inevitable. . . .

"The development of civilization has meant technical change, economic expansion, and warfare, usually all three. All have the effect of breaking up old social units without putting anything in their place. . . .

"Now all the evidence of psychiatry, and it has not been our purpose to include it here, shows that membership in a group sustains a man, enables him to maintain his equilibrium under the ordinary shocks of life, and helps him to bring up children who will in turn be happy and resilient. If his group is shattered around him, if he leaves a group in which he was a valued member, and if, above all, he finds no new group to which he can relate himself, he will, under stress, develop disorders of thought, feeling, and behavior. His thinking will be obsessive, elaborated without sufficient reference to reality. . . . The cycle is vicious; loss of group membership in one generation may make men less capable of group membership in the next. The civilization that, by its very process of growth, shatters small group life will leave men and women lonely and unhappy. . . .

"Each of the sociologists—Durkheim, LeBon, Figgis, Brooks Adams—who began, just before World War I, to point out the signs of decay in our society, used the same metaphor. They said that society was becoming a dust heap of individuals without links to one another." (pp. 454-457)

"Every religion, every revolutionary movement claims it will restore the brotherhood of man, and sometimes has really done so in the form of the congregation or cell. Brotherhood, of the kind they get in a small and successful group, men must have. But at the level of civilization, the search for the lost brotherhood of man, by creating antagonisms that can only be resolved by force, may end in the worst of tyrannies." (p. 459)

"Forced cooperation only hastens the decay that would have taken place in any event. In the words of Durkheim, 'A society made up of a boundless dust-heap of unrelated individuals, whom an overdeveloped state tried to hem and hold in, is a true sociological monstrosity.' And yet all dictators from Napoleon onward, have tried to create something like this monstrosity." (p. 463)

"We have seen some of the problems that an advancing civilization makes for itself. Apparently its rise creates the conditions that lead to its fall. How shall we escape from this dreary cycle?" (p. 466)

The concluding words of the book give us a glimpse of Mr. Homans' conclusions: "At the level of the small group, society has always been able to

cohere. We infer, therefore, that if civilization is to stand, it must maintain, in the relation between the groups that make up society and the central direction of society, some of the features of the small group itself. If we do not solve this problem, the effort to achieve our most high-minded purposes may lead us not to Utopia but to Byzantium. The problem will not be easily solved, but one step we can take in the beginning is to learn the characteristics of the human group." (p. 468)

Bernard DeVoto ends his foreword to the book by summing up the author's findings:

"The vigor and durability of small groups seem to hint to be the stability of society. . . . Metropolitan society has seriously restricted and enfeebled the natural processes that enable people to form small coherent groups which live together and share the whole sum of experience. Industrial society has provided no functional substitutes. It may be that the restriction and enfeeblement of the forces that make such organizations possible are in themselves disintegrative. It may be that the preservation of our society depends on our finding ways to strengthen what has been weakened, to make the natural formation of basic small groups easier and more inevitable, or on our finding ways to transmit their vital essence to the larger groups that so tragically lack it."

Robert K. Merton, in his introduction makes a significant comment: "This notable convergence of varied lines of theory and varied methods of research on the small group strongly suggests that this subject will for some time to come remain one of the chief growing points in the systematic study of the behavior of men in society."

In reading the book one discovers that Mr. Homans is not only a scientist, but a human being, and a very observing one at that. Throughout the book there are racy and pertinent observations which are the results of intuition and which fertilize the scientific method. For instance:

"Society's preaching and its practice are elastically linked. Each pulls the other, and they can never separate altogether." (p. 126)

"For the moment we must acquire a high tolerance for half-truths, though they ache for wholeness." (p. 233)

"The really interesting characteristic of Nature is the way her efficient causes play into the hands of her final ones. We are going to see, and in fact have seen, that the organic nature of society goes far beyond anything conceived by the functional anthropologists, that functional relations—and dysfunctional ones too—not only do emerge but cannot help emerging, that, in the small group at least, they tend to produce a positive surplus, a margin of safety in the qualities the group needs for survival, and that this surplus may be used, not simply to maintain the existing adaptation of the group

to its environment but to achieve a new and better adaptation. We are interested in survival, but in evolution too." (pp. 271-272)

"The sentiments of affection that grow up between members of a family positively help the family to carry out its activities well. They provide new motives. But the feedbacks are not all favorable, and the social distance between father and son, or, more generally, between persons of different social rank, may be a source of possible conflict and failure of communication. In fact, the characteristics of leadership, so important in the development of larger social units out of smaller ones, may, when the society becomes sufficiently large, create some of the gravest social problems." (p. 274)

"In organic systems, many things emerge from interrelatedness, including further interrelatedness." (p. 275)

"Emotional ties between persons do not exist in a vacuum but are a function of the activities they carry on together and of the way these activities are organized. In old-fashioned families everywhere, the emotional tie between husband and wife is firmly founded on the activities they contribute to the common enterprise. Today, the jobs that a married couple carry out together are much fewer. The partners choose one another on grounds of romantic love, because the social system offers nothing else to guide their choice, but when the dream of romantic love has faded, as fade it must, they have to rely upon sexual relations and mere companionship to form the foundation of their marriage. Yet sexual relations alone are a weak basis for an enduring bond." (p. 277)

"Intellectually, the descent into hell is easy. One false step, and logic will do the rest." (p. 318)

"To the classic peril of being impaled on the horns of a dilemma, we moderns should add a new one: being split by a false dichotomy." (p. 319)

"New England's greatest export has always been men, and its most striking monument the abandoned farm." (p. 343)

"Because Hilltown still has a name, geographical boundaries, and people who live within the boundaries, we assume that it is still a community and therefore judge that it is rotten. It would be wiser to see that it is no longer, except in the most trivial sense, a community at all. . . .

"Extrapolating from Hilltown to modern America, or indeed to the modern world, we recognize that what we have been studying is very common. Civilization has fed on the rot of the village. This in itself is not the problem. It becomes a problem only when the organizations to which the former Hilltowners go, such as the big new industries, fail to develop some of the characteristics that Hilltown once had. If they do fail, then the disorders of personal behavior increase. To this question, the leaders of these organizations have, on the whole, failed to address themselves." (pp.367-368)

This is an important book, not chiefly for the specific uniformities of social action which it discloses, but because of the process of inquiry which it helps to define. As we have frequently commented, the chief limitations of human society are not men's inability to achieve what they want, but the lack of a clear and sound picture of what to work for. Mr. Homans has thrown light on one important step in the process of determining what to strive for.

—ARTHUR E. MORGAN

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*Occupational and Industrial Diversity in Rural Connecticut*, by Walter C. McKain, Jr., and Nathan L. Whetten (University of Connecticut, Ag. Exp. Sta., Storrs, Conn., Bull. 263, 54 pp., November 1949).

Dispersion of industry and of industrial population out of large cities is taking place in America at the same time that population is increasingly concentrating in industrial and agricultural areas near metropolitan centers. The urbanization of rural Connecticut resulting from this process is the subject of this sociological study. Study of how this process is developing in Connecticut is of importance because it may give a preview of how many other industrial areas will develop if there is not careful social and economic planning to achieve a better pattern.

One of the most remarkable things revealed in this study is the extent to which people who work in different towns commute from towns and villages a considerable distance away, sometimes more than half way across the state. The result is fantastic in a plant of the new aircraft industry in which the whole state is drawn from to bring employees to one plant. Thus to a significant extent Connecticut is a "rurban" state with farm families contributing members to industrial payrolls living beside urban workers who have moved to the village or country. All are exposed simultaneously to urban and rural culture. The problems that arise from such a disintegration of local relationships and diffusion of people are recounted, such as the displacement of general-purpose locality groups, the community and neighborhood, by single-purpose special-interest groups; the conflict in customs between urban and rural people in the services they will pay for and demand; and the need of cities for taxes to support services for people who occupy the cities only during their working hours.

*Looking at Lowell*, by sociology class of E. L. Kirkpatrick, Marietta College (Marietta College, December 1950, 60 pp., \$1.00).

The spirit with which a community study is made may be as important as its scholarship. *Looking at Lowell* is exceptional in the quality of the concern it reveals in Professor Kirkpatrick's sociology classes and in its co-

operative endeavor as a sociological report. The extent to which it evoked community participation is evidenced by the fact that its printing was made possible by the Lowell post of the American Legion.

Lowell is a village of 500 people ten miles from Marietta, Ohio, a local center for school, bank, churches and farmers' market. Lowell is thus typical of the small towns whose future is most in question throughout the world. It has all the qualifications for a high level of culture and well-being except a favorable commercial and cultural climate for such small communities. Lacking these, Lowell must rise to a high level of citizenship, aspiration and determination if it is to realize its potentialities and avoid decline into another dead and half-deserted relic of the past.

This illustrated and historically oriented study is fairly detailed, but it contains no maps. The layout of the town, its trade areas and relation to surrounding towns are left to verbal description.

The most important observation made about Lowell, as may be made of so many towns like it, is its inadequacy in serving the needs of young people. While three quarters of the youth found the school vocationally helpful, only half reported getting help outside of school toward prospective vocational employment. Three quarters of the youth felt the church to be truly helpful in recreational and social services, some of them claiming it to be the most helpful service in the community. Thus the economic community had failed twice as badly as the other major community services. This appeared true both in the vocational help given young people and in commercial services. Thus "one of the key leaders explained thoughtfully, 'our young people have no fit place to go in the community, even for ice cream cones or sodas.'"

Both needed and possible were additional sources of employment in this town. The fact that there was no drugstore, despite demand for one within the twelve-mile diameter of market area, is illustrative of the failure of the community to master its economic affairs.

Although young people like the neighborliness of Lowell and feel themselves very much part of it, "less than half the youth intend to live in the home community. Reasons for not wanting to live there include no jobs or business, no future, 'place too small,' 'it's dead.' Pointed expressions from some of the youth suggesting why they prefer to live elsewhere are: 'There are too many taverns,' and 'Nobody tries to help us have the right kind of times.' It is significant, too, that only half the parents who expressed themselves on the point want their children to live in the home community." The reasons given were primarily lack of economic opportunity.

*Looking at Lowell* modestly concludes with suggestions of how Lowell might be able to improve itself. The views of Lowell citizens are given prominence along with the suggestions from Marietta College, so that

Lowell people may find here as elsewhere a cooperative, rather than just an outsiders' undertaking.

It is interesting that the problem of leadership in the community, which so preoccupies community workers, is viewed from a standpoint that has recently gathered increasing support. "We, as observers feel that the Lowell community has most if not all of the leaders that are needed. Many of these are as yet undiscovered and undeveloped and a good share of them are young people. They lack experience and inclination to move ahead primarily because they have not been drawn into positions of responsibility.

"Many of these leaders have vision, as much as had their forefathers who looked on the community as a possible 'great manufacturing center like Lowell, Massachusetts.' The most they need is encouragement and support from others who want a job done. The best way to help them get started and take courage is to say, 'It can be done, I'll help you, so will most everyone else. Let's get at it.'"

*Looking at Lowell* will be valuable as an example of the work of good teaching in rural sociology as well as for the information it gives about Lowell.

*Full Employment through Business Enterprise*, by the W. E. Upjohn Institute for Community Research (Kalamazoo, Mich., 24 pp., August 1950).

The Upjohn Institute for Community Research in its books and other publications has concentrated on the economic problems of cities in achieving prosperity and full employment. Created partly to serve the city of Kalamazoo, the Institute seeks to bring economic science into the laboratory of its highly developed city economy.

The report points out that the "'grass roots' approach also gives us an opportunity to observe what methods lead to a good reception on the part of management or other community leaders, and what do not. These observations, for example, have lessened our confidence in written reports, formal speeches and informational conferences or lecture series, as methods of influencing action. . . . We find much of our progress coming as a result of face-to-face contact with individuals, or as members of committees which are considering various community problems."

The Institute bases its study on the view that "National prosperity—and 'full employment'—is merely the total of the effectiveness with which specific enterprises are created, managed and expanded." The Institute therefore poses the problem of what are "the conditions which make for the creation, success, and expansion of enterprise." In terms of both community and nation this is a narrow basis for economic policy. The level of prosperity requires efficiency of the distributive system—national, regional and local—

and ethical and sociological considerations that may even overrule immediate successful business enterprise.

An important change in economic theory is beginning to take place in recognition of a new subject of the Upjohn Institute's study, the Formation of Capital and Initiative. An unpublished statistical study by Leonard Hastings Schoff has revealed that a crucial condition controlling national employment and productivity is the amount of working capital on which enterprise does its business. The Upjohn Institute is making a complementary local study of how and when this economic function takes place or fails to take place.

Since the Upjohn reports are made in terms of the needs of Kalamazoo, it would be valuable to receive from it studies of the sociological problems implicit in urbanism, such as what is the optimum size of the city and how to keep the city from growing larger and spilling over into the countryside. Kalamazoo is in the danger of falling prey to forces let loose by its success, leading to formless expansion and eventual urban blight.

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Paul and Betty Keene, of Penns Creek, Pa., are looking for additional neighbors to share in their rural living venture which now includes three families. They have available a 25-acre homestead, of which about four acres is in woods; the eight-room house is in good condition but needs wiring and plumbing; water is piped from a spring to the outside of the house, and electricity will reach the house shortly. Several sheds and outbuildings are on the property, two of them in good condition. The land is average for the region, not excellent, but has been farmed successfully for many years. The price asked is \$3500.

The Keenes have been working hard for several years at this location, building a business in processing and direct selling of organically grown food products, consulting on farm problems, etc., and striving for increased neighborly spirit and competence in the community. Two other families have joined them on neighboring farms, and they hope in time to develop a conference center and hostel, in addition to other small business ventures. For information write the Keenes at Penns Creek, Pa.

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About half of the nation's school-age children live in rural areas. Those areas receive only 10% of the nation's income. To make it worse, every thousand adult farmers support 791 school children, while every thousand city workers support only 408.—Clif Garwick, in *Ohio Farm Bureau News*, January 1951.